

Exhibit 4

Corporate Compliance Quarterly Report to Board of Directors

October 31, 2007

**Vice President, Corporate Compliance
Bert Weinstein**



Agenda



- Purdue's Corporate Integrity Agreement
- Purdue's Attorneys General Agreement
- State Law Requirements
- Company-Wide Compliance
- Hotline and Other Inquiries



Purdue's Corporate Integrity Agreement



Day “120” CIA Provisions



Due date: on or before **11/28/07:**

- Distribution of Code, Certifications
- General and Specific Training
- Retain Independent Review Organization
- Implementation Report
- Standards (e.g., Code, Policies, SOPs)
 - Procedures for Code of Business Ethics
 - Distribution of Policies and Procedures
per job functions
 - Selling and Marketing per Federal Healthcare
Program requirements
 - Product Materials under FDA requirements



on track



on track



on track



Day “120” CIA Provisions (Cont.)



■ Standards (Cont.)

- Compensation for RCPs who sell and promote
- Requests for off-Label information via reps
- Info provided by Medical Services and Liaisons
- Material and Product info provided by reps
- Contracts with HCPs (fee-for-service)
- Funding of activities and grants
- Development and Production of “Materials”
- Discontinuation of Promotional “Materials”
- Employee Discipline



on track

on track

on track



IRO Relationship



- Retained Huron Consulting Services
 - Huron works for Purdue, not the OIG
- Mainstay of our relationship with Huron is “no surprises”
 - Kick-Off Meeting – 8/15/2007
 - Early planning meetings focusing on the areas to be reviewed-
 - Two Transactions Reviews (yrs 1-5), of Sales Field Contact Reports and Medical Services data
 - Nine Systems Reviews (years 2 and 4), to verify systems, policies, processes, and procedures
 - OIG communications protocol agreed upon



OIG Relationship



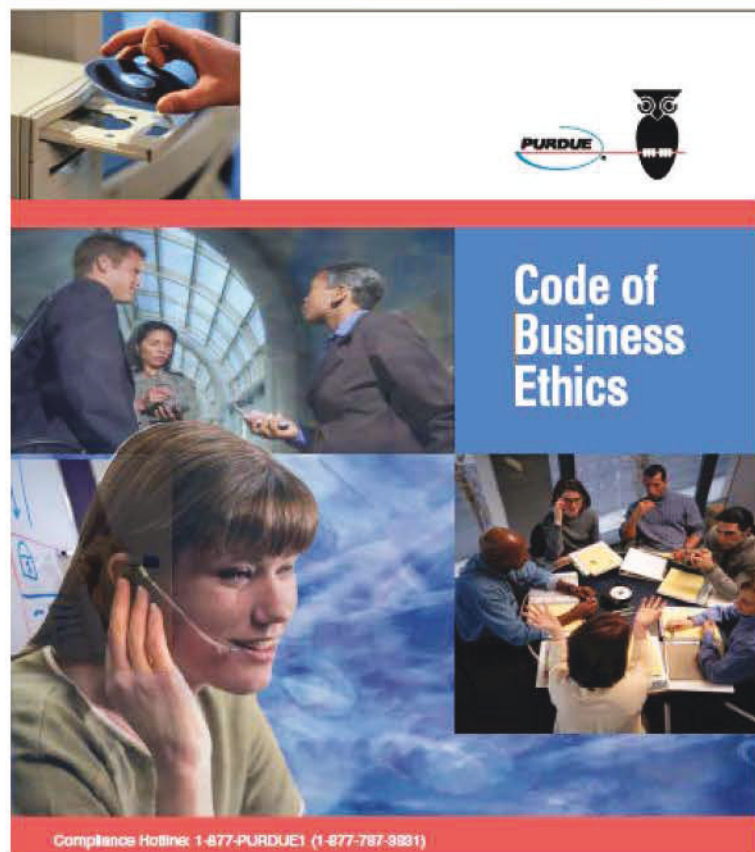
- We are focused on building a positive on-going relationship with our OIG monitor, Keshia Thompson
 - Early communications have generally established a “Rule of Reason.” Examples:
 - Agreed Watson and pharmacy brokers not Covered Persons
 - Agreed certain FDA communications not covered
 - Agreed to give us credit for live and computer-based training done prior to the July 31st CIA Effective Date
 - A log of all our OIG/monitor communications is being maintained
 - Notices of government litigation/investigations and FDA label change timely filed
 - No Reportable Events to date

New Compliance Software System



- Implemented Axentis Enterprise system - 9/17/07
- This system is to help us assign, track, and avoid errors:
 - Hotline reports and investigations
 - Training
 - Monitoring activities
 - Compliance Action Items
 - Audit findings and corrective actions
 - Document repository
- Assignment of compliance related tasks
 - CIA-related tasks
 - CIA-required monitoring and reviews
 - Other compliance activities
 - Action Items from Council/Committee meetings
 - Audit planning

Code and HCLC Policies Updated



Updated 9/07



Updated 10/07



CIA Compliance Training



	Who Must Complete	Due Date
Adverse Events / Product Complaints	CPs and RCPs	6/7/07
Fraud & Abuse in the Pharmaceutical Industry	RCPs	8/23/07
Marketing – Basic Issues	RCPs	9/27/07
Code of Business Ethics	CPs and RCPs	10/11/07
Marketing – Special Topics	RCPs	10/25/07
Healthcare Law Compliance Policies	CPs and RCPs	11/1/07
CIA Training	RCPs	11/15/07

Full Compliance with AG Agreement



- “Standard” pharma promotional standards must be met (i.e., FDA laws and regulations)
- **All specific requirements timely met-**
 - **6/20/07** - Established Abuse and Diversion Detection program and training for employees, and Medical Liaisons who promote to HCPs
 - **8/2/07**- Timely certification of Purdue’s educational mailing to all HCPs (detecting and preventing abuse and diversion of opioid analgesics)
 - 10-year commitment
 - Sales Operations procedures established
 - **9/5/07**- Trained all employees on the terms and obligations of the AG Agreement





Purdue's CIA is Corporate Compliance's top
priority for five years

But mastering a CIA does not make for a
comprehensive compliance program – it is
part of our on-going work

State Law Reporting



- State requirements are monitored through an *ad hoc* compliance group
- Approximately 26 states have pending legislation
- We are current on all required state filings:

Due Date	State	Requirement & Status
5/1/07	Minnesota	Report of CY'06 expenditures on HCPs
7/1/07	California	Annual declaration of compliance
7/1/07	D.C.	Marketing Costs Report due for CY'06
7/1/07	Maine	Marketing Costs Report due for CY'06
10/1/07	Vermont	Chief Compliance Officer Disclosure due
12/1/07	Vermont	Gifts to HCPs report due (7/1/06-6/30/07)

Departmental Compliance Committees



■ Administration

- Finance, Human Resources, IT
- Top Risks:
 - Price reporting
 - Consistent discipline
 - Information security

■ Quality & Manufacturing

- QSC and PM&D Leadership Team
- Top Risks:
 - FDA / DEA readiness
 - Corrective actions
 - Third party compliance

■ Research & Development

- Clinical, Regulatory, Risk Mgmt.
- Top Risks:
 - SOPs / WPDs
 - Adverse Event reporting
 - Data systems and integrity
 - Outsourced clinical trials

■ Sales and Marketing

- Sales, Sales Training, Marketing
- Top Risks:
 - Lawful promotion
 - State law compliance
 - Call notes
 - SOPs / WPDs

Other Significant Work



- Sales District meetings and Representative ride-alongs
- Visits and presentations at every Purdue site
- Attend weekly Grant Review Committee meetings
- Monitoring of Phoenix call notes
- Monitoring of Field Contact Reports
- Compliance Investigations
- Compliance audit program
- Sales and Marketing compliance workshops
- Over 25 Sales Representative training programs
- Monthly meetings with CSA Compliance, EHS, Quality VP
- Quality audit and monthly report reviews
- Epstein Becker compliance program review
- Industry compliance leadership roles

Evolving Employee “Accountability”



- 2003 HHS OIG Pharma Compliance Guidance states:
 - Participation in training should be a condition of employment - failure to comply should result in discipline
 - Adherence to compliance should be a factor in annual evaluations
- All Purdue colleagues have had annual OWL and other compliance training requirements
- Company and Departmental compliance objectives have been in place - 2005
- Performance Review form compliance certification - 2006
- Initiated individual compliance objectives – 2007
- Driving Individual objectives for all employees - 2008
- Metrics-based compliance evaluations in the future ?

Hotline Calls and Other Inquiries 3Q07



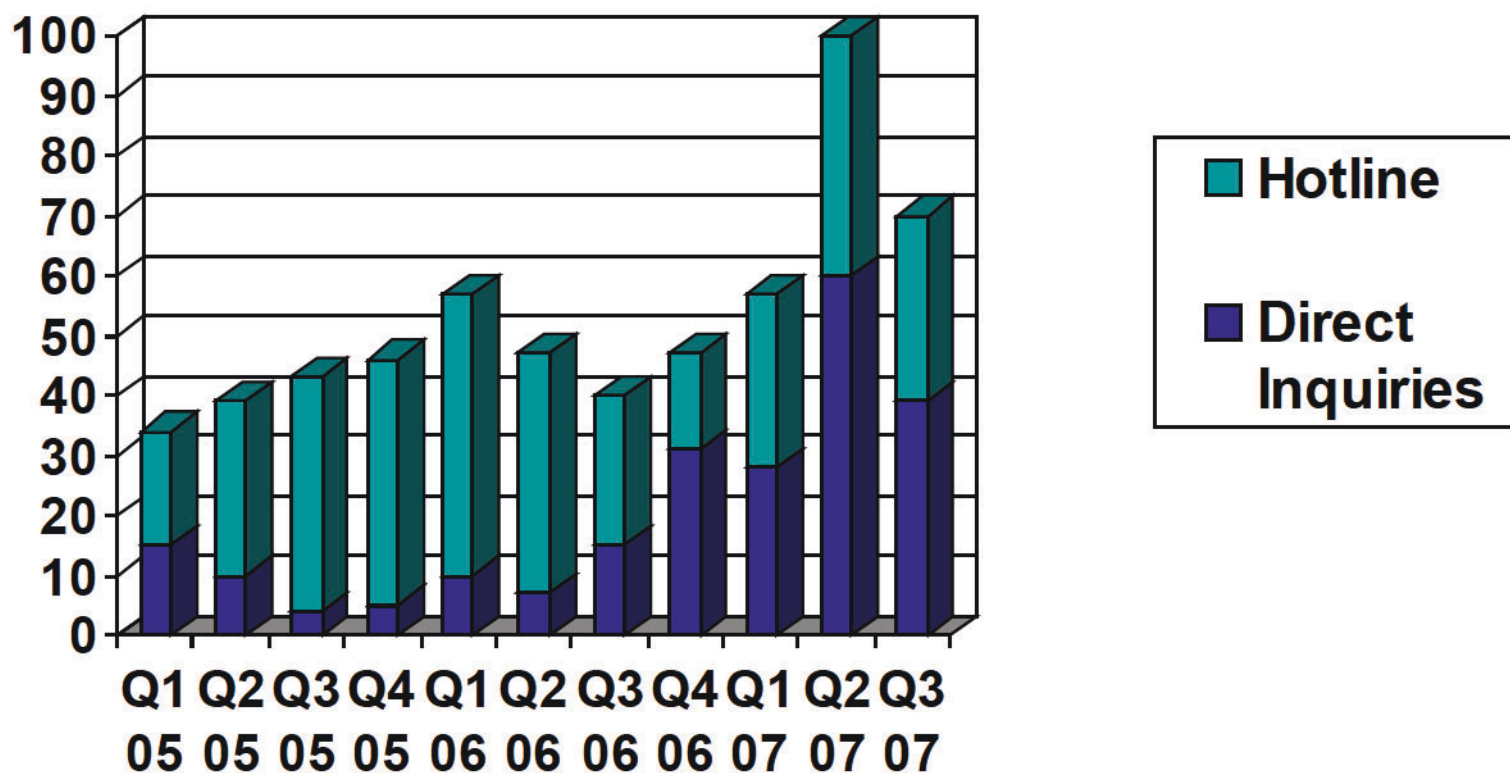
Hotline and Other Inquires 3Q07



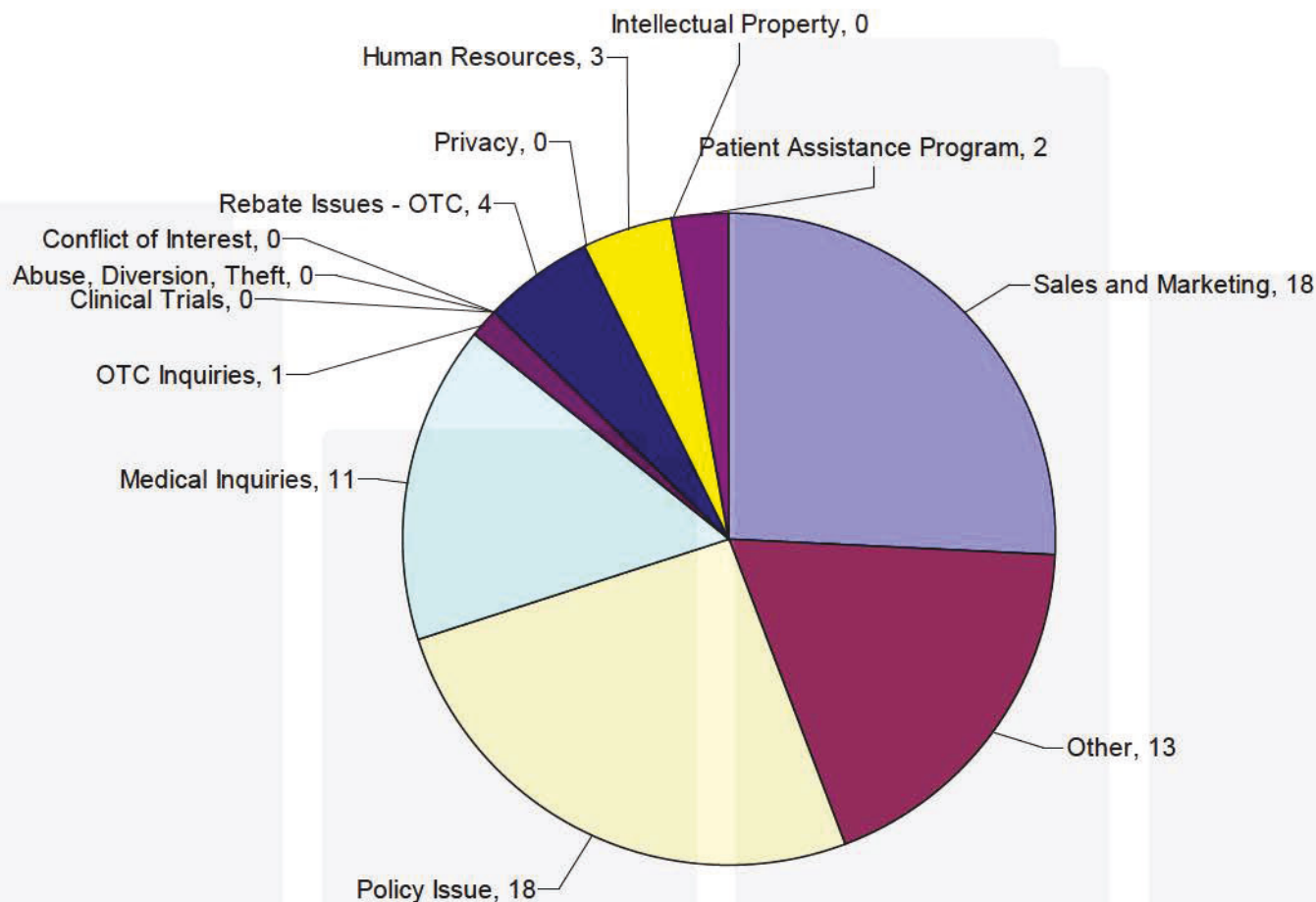
- We handled a total of 70 inquiries in 3Q07, of which 26 had compliance implications:
 - 9 Policy Matters – generally involving meals, gifts, and entertainment outside of Sales
 - 17 Sales & Marketing Matters – generally involving meals and gifts to HCPs; and new institutional policies
 - These 26 matters were all direct inquiries
 - A Call Log is maintained of all Corporate Compliance inquiries, and is available for review



Inquiries by Quarter (1Q05 – 3Q07)



3Q07 Compliance Inquiries



Inquiry Response Time



Days to Close Inquiries 3Q07

